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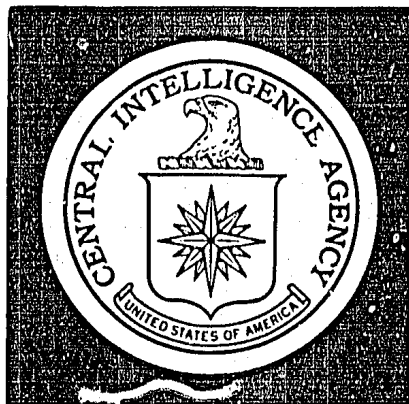
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DIRECTORATE OF  
INTELLIGENCE

# Intelligence Memorandum

*Land Reform And Productivity In South Vietnam*

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ER IM 70-81  
June 1970

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CENTRAL INTELLIGENCE AGENCY  
Directorate of Intelligence  
June 1970

### INTELLIGENCE MEMORANDUM

#### Land Reform And Productivity In South Vietnam

##### Introduction

President Thieu's "Land-to-the-Tiller" land reform law was promulgated on 26 March 1970 after having passed the National Assembly on 16 March 1970. The law's objectives are to abolish tenant farming and to redistribute the land free to those presently tilling it. The GVN hopes thereby to gain political support among farmers who, according to one recent study,\* overwhelmingly desire to own land.

The primary purpose of this memorandum is to estimate what effects the "Land-to-the-Tiller" law might have on rice production in South Vietnam. In addition, the problem of financing the program and future employment problems are addressed.

#### The General Framework of Vietnamese Agriculture

1. For the most part, Vietnamese farming still is relatively primitive and largely a family affair. Climate, topography, conditions of soil, and

\* Land Reform in Vietnam Working Papers, Stanford Research Institute, Menlo Park, California, 1968.

*Note: This memorandum was produced solely by CIA. It was prepared by the Office of Economic Research and was coordinated with the Office of Current Intelligence, the Office of National Estimates, and the Director's Special Assistant for Vietnamese Affairs.*

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availability of water continue to determine the pattern of farm life. Units are generally small, with most of the holdings totaling less than five hectares each.\* With few exceptions, methods have changed little over the centuries; tools and equipment are usually locally made and consist largely of the hoe, rake, sledge, plow, roller, harrow, and sickle. Buffalo and ox teams serve as the primary sources of power for plowing and harrowing. For one or two hectares of riceland, most of the work is accomplished by family labor. Hired labor generally is used only on larger farm units. Most farmers still produce only one rice crop a year, although since 1967 some have been able to harvest a second crop. This has been made possible through the use of new rice varieties and the introduction of motor-driven irrigation pumps which permit all parts of the production process to be in progress simultaneously -- from seedbed preparation and first plowing to transplanting and harvesting.

2. During the late 1800s, major French investments were made in extensive irrigation and drainage systems that later encouraged development of the Delta by private Vietnamese entrepreneurs using hired labor. Then, peasant families were recruited as tenants to cultivate the cleared land. Initially, land was plentiful and landlords played a major role in agricultural development. Land rents were fixed not as a share of the actual crop but as a share of the "normal yield," which was determined by agreement between the landlord and tenant. As the population grew and the supply of low-cost land was exhausted, rents rose sharply and land ownership became more concentrated as the independent peasant had to sell his land to pay his debts. By 1945 the institution of tenancy, which had served for more than 50 years as an efficient mechanism for development, had become a rigid mechanism for economic exploitation. Its main function had become the generation of a surplus of rice for export. Moreover, most tenants had to provide the landlord with two days of free labor each month and to obtain permission to carry out all agricultural tasks.

\* One hectare equals approximately 2.5 acres. For the distribution of farm holdings in South Vietnam, see Appendix A.

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3. After 1945 the landlord's control over the tenant began to decline, primarily because of the growth of Communist influence in rural areas. Many landlords subsequently moved to Saigon or a provincial capital, leaving the collection of rent to hired agents. As Viet Cong influence in an area grew, rents declined. In 1966-67, for the Delta as a whole, the average rent paid by tenants was probably between 5% and 10% of the crop, compared with 40% and 60% in the 1930s and more than 25% during 1954-59. However, taxes imposed by the Viet Cong fully compensated for declines in rents paid to landlords.

4. This development also has altered the pattern of peasant indebtedness. Most tenants, as well as most small landowners, are now more often in debt to neighbors, relatives, the government, or friends than they are to landlords or merchants. A 1966 study\* found that the traditional sources of credit -- landlords, money-lenders, and merchants -- accounted for less than 5% of the number and value of loans outstanding. The predominant sources of credit were relatives, the *hui*,\*\* and the government. The Stanford Research Institute (SRI) Hamlet Resident Survey of 1968 similarly indicated that both resident and absentee landlords perform practically no role in agricultural production by assisting their tenants.

Land Reform by the South Vietnamese Government

5. Following the defeat of the French and the subsequent Geneva Convention in 1954, the new government of South Vietnam instituted a land reform program as part of its efforts to mobilize the support of the people against the Communists. In 1956, President Diem promulgated an ordinance which sought the elimination of big landlordism by expropriating large landholdings and redistributing them as smaller

\* R.L. Sansom, The Economics of Insurgency in the Mekong Delta of Vietnam, 1970.

\*\* The *hui* is comparable to a cooperative loan association organized on the village level with 10 to 15 members and having an organizational life of 10 to 15 months.

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holdings to the tenant farmers. The ordinance limited ownership of riceland to 100 hectares, still a large area for Vietnam, and provided for expropriation of the excess. The landlord was permitted to select the 100 hectares he would retain but could cultivate only 30 hectares; the remainder would continue to be cultivated by tenants. A maximum rental rate also was set at 25% of the gross annual crop harvested by the tenant. For the expropriated land, the government was required to pay the landlord 10% in cash and the balance of 90% with nontransferable bonds to be amortized over 12 years at 3% interest. Compensation for the lands expropriated was based on the "current value" of the acreage as determined by a variety of special committees.

6. During 1956-61 the government expropriated some 452,000 hectares of land and, in addition, acquired nearly 230,000 hectares of French-owned lands under the terms of the Vietnamese-French Agreement of 10 September 1958. This total,\* mostly riceland, represented about one-third of total riceland in South Vietnam which continued to be farmed in the same way as before expropriation.

7. Distribution of this land to new owners, however, has been extremely slow. An agricultural census conducted by South Vietnam in 1960-61, for example, indicated that 63% of the area cultivated in the Delta still was tenant-operated, 35% owner-operated, and 2% under other tenure forms. By the end of 1968, only about 295,000 hectares, or less than 45% of the total, had been distributed, and most of this prior to 1962. The slowness in redistributing acquired lands was due to a lack of security, political instability, a shortage of funds to finance the program, the absence of qualified land affairs personnel, and the loss of land title records.

8. In addition to the program of land distribution, South Vietnamese policy attempted to protect tenant farmers by placing limits on rents, by providing relief in cases of crop failure, and by giving the tenant the first option to buy the land

\* 682,000 hectares compared with 2,300,000 hectares of total riceland.

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should the landlord choose to sell. The reduction in rents in government-controlled areas has benefited many Vietnamese farmers. Those with a food surplus could now sell it, thus increasing their ability to buy consumer goods, fertilizer, and equipment. On the whole, however, it is unlikely that the Diem land reform program gained much political support from the peasants. Its implementation was too slow and many tenants continued to pay rents above the legal limit set by the law.

9. On the other hand, the Communists have virtually eliminated rent payments in the areas they control but they have levied substantial taxes instead. Whereas rents levied in the government-controlled areas have averaged 10% or higher, taxes in Viet Cong-controlled areas have ranged from 6% to 35% of the crop.\* The Viet Cong also have provided protection for the peasant in the event of a crop failure by intervening with the landlord on behalf of the peasant. The transfer of ownership in Viet Cong-controlled areas has been accomplished through uncompensated expropriation of the land and its distribution to the tenant.

The "Land-to-the-Tiller" Program

10. In a new effort to win over the countryside, President Thieu drafted his own version of a "Land-to-the-Tiller" program which became law on 26 March 1970. The present law\*\* involves the purchase of 800,000 to 1,000,000 hectares of riceland tenanted by at least 400,000 peasant families and owned by more than 15,000 landlords. In order to prevent landlords from changing tenants before the new land transfers were implemented, the South Vietnamese government in early 1969 ordered a freeze on current land occupancy and rents for one year in both secure

\* Tax rates have ranged from 6% for those families with only a subsistence productive capacity, 35% for those families with the highest productive capacity, 50% of the market price for farm animals, to 100% on luxury items such as cigarettes.

\*\* For a listing of the primary provisions of the law, see Appendix B.

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and newly pacified areas. This meant that no tenant was to pay rents higher than he actually paid the previous year. After the one year freeze, the occupant was to become the legal tenant and be eligible to receive title to the land under the "Land-to-the-Tiller" Law.

11. In contrast to the former highly centralized land distribution program, the new program will be administered by village committees that will meet every two weeks to authorize land transfers. Most land records are poor or nonexistent in many villages throughout the country. However, village officials are considered to be the most knowledgeable about the boundaries and ownership of the farms in and around their villages and they presumably will determine much of the land ownership. In addition, the government will use aerial photography as a means of identifying areas covered by the law. Under ideal circumstances, the transfer of ownership to a tenant farmer whose claim is undisputed could possibly be accomplished within two weeks. A farmer will begin paying a small land tax to the village council rather than the central government one year after he receives title.

12. President Thieu proposed a three hectare distribution limit per family for the Central Lowlands and a five hectare distribution limit per family for the Southern Region\* in his version of the program, but the Senate adopted a one and three hectare limit for the present law, respectively. Although about three-fourths of the existing farms are within the sizes set by law, those tenants now cultivating more than one to three hectares could react unfavorably to the new law because they will be forced to give up part of their land in order to gain title to the remainder.

13. While applications for land ownership will be processed by village officials, landlords will be dealing with the Ministry of Land Reform and Agriculture in Saigon. They will be paid after the transfer has been completed and a special compensation

\* The Central Lowlands includes the coastal area of I and II Corps. The Southern Region includes the area of the Mekong Delta.

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committee has determined the price per hectare. The Vietnamese Cabinet reportedly agreed on 5 June 1969 to hold the average cost per hectare to a maximum of 45,000 piastres. Using this price, the cost of the currently envisioned three-year program involving some 1 million hectares would be a minimum of 45 billion piastres, of which 9 billion piastres would be paid in cash and 36 billion in bonds. Inflation will push the costs up considerably, however, if the current market price of rice is used as a basis for placing a value on the land.\* For example, using the average rice price as of 1 May 1970, the average value of land would be 138,500 piastres per hectare and the total cost of the program would rise to 138.5 billion piastres,\*\* of which 27.7 billion piastres would be paid in cash.

14. Although the cost of the land reform program is small in terms of South Vietnam's estimated GNP of 600 billion piastres, financing the program will cause problems for the Vietnamese government as will implementation. If the added expenditures come within the next year or two when defense spending and the budget deficit are increasing, they will add considerably to inflationary pressures. Assuming the lower estimate of 45 billion piastres spread over three years, the annual cost of the cash payments would be equivalent to about 10% of the inflationary gap (new money creation) estimated for 1970. If implementation occurs over a period of several years, however, the added purchasing power that land reform will inject into the South Vietnamese economy will have a much smaller inflationary effect. US assistance for the program currently consists of \$40 million for additional imports designed to reduce this effect.

\* See Appendix B.

\*\* At the official rate of 118 piastres to one US dollar, the land reform program would cost a minimum of \$380 million at the per hectare cost of 45,000 piastres, or \$1.2 billion at 138,500 piastres per hectare. The cash payment would be the equivalent of \$80 million or \$235 million, respectively. Because of the greatly overvalued exchange rate, however, the true dollar cost of the program would be considerably below these amounts. At the current free market rate of 400 piastres to one US dollar, for example, the cost of the program at 138,500 piastres per hectare would be about \$346 million and the cash payment \$69 million.

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### Impact of the New Law on Agriculture

15. In the short run, the South Vietnam's "Land-to-the-Tiller" Law is not likely to have any significant impact on agricultural output or to alter the character of Vietnamese agriculture. Although large holdings have characterized Vietnam's land tenure pattern, cultivation has been conducted on small units. More than 80% of the rice area cultivated in the Delta, for example, consists of farm units of three hectares or less and holdings average about 1.7 hectares.\* The new law, for the most part, merely recognizes the small tenant farmer as the legal owner of the same area he cultivated as a tenant. It rarely involves fragmenting large holdings into small uneconomic units. Moreover, a historical analysis of rice production in the Delta since 1957 suggests that rice yields have been little affected by the form of ownership and tenure -- yields in provinces where tenant farming predominates have not differed greatly from those in provinces where owner-operated farming predominates.\*\*

16. The new law reinforces the present pattern of small production units and, therefore, will inhibit the large-scale introduction of labor-saving technology of the variety that characterizes US rice production. Given Vietnamese social values, including attachment to the land and the labor surplus that would result from a sizable demobilization, the introduction of labor-saving technology would not be an important consideration for some time to come. In any event, should labor conditions warrant it in the future, there is a wide array of labor-saving technology developed specifically for small Asian wet rice production units.

17. The more important question for South Vietnam will be the ability of the rural sector to absorb additional labor. Prior to the escalation of the war, there was a good deal of unemployment and underemployment in agriculture. Over the past few years, however, the agricultural labor force probably

\* *Small holdings are characteristic of most of Asia's agriculture. About 70% of the farms in the Far East and Southeast Asia average less than two hectares.*

\*\* *For a more detailed discussion of comparative production and the methodology employed, see Appendix C.*

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has lost more than a million persons, or roughly one-fifth of the total, mainly to urban employment and to mobilization by the Vietnamese government and the Viet Cong. At the present time, there is a sizable area of abandoned land and some shortage of labor on the farms.

18. Peace and demobilization, however, could create a considerable unemployment problem in South Vietnam. Although many persons probably would choose to remain in the cities and some of those returning to rural areas could be readily absorbed, a significant rural labor surplus could develop in the event the countryside were indeed pacified. The introduction of intensive multiple cropping of rice\* should help, even if most of the effect is to provide a more balanced year-round demand for labor. Agricultural laborers -- and there will still be a large class of landless labor in the countryside even if the land reform law is implemented -- will be less inclined to leave their hamlets if employment is regular. Diversification into intensive vegetable and fruit farming could also absorb surplus labor as will the continued growth of poultry, hog, and cattle raising.

19. The land reform program, if successfully implemented, should facilitate the absorption of labor in agriculture in a peaceful environment. First, because of the strong ties to the land, family members who might otherwise leave the countryside (or not return) will tend to stay if the family owns the land. Second, at least part of the income paid to landlords as rent\*\* -- much of which left the countryside -- will be available to small landowning families. These increased earnings could support more family members on the farms and in some cases will be used to hire additional labor.

*\* This is rapidly occurring as a result of the introduction of varieties of high-yield "miracle" rice seed, together with the herbicides and fertilizers these varieties require, and the growing use of small diesel pumps to lift water up to the paddies during periods when the Delta water system is not in flood.*

*\*\* Some of the farmer rent payment may be collected by the government or the community in the form of taxes.*

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### Conclusions

20. South Vietnam's "Land-to-the-Tiller" Law, designed to achieve political ends, is not likely to have any significant economic impact on South Vietnam's agricultural production in the near future. The law limits the distribution of expropriated land to one hectare per family in the Central Lowlands and to three hectares per family in the Delta. These limits roughly correspond to the current pattern of farm units. In effect, the law makes the tenant farmer the legal owner of the land he has been cultivating.

21. Although the small size of the farm unit will tend to inhibit the large-scale introduction of labor-saving technology, there are still ample opportunities for technological improvements that would raise yields and save labor. Demobilization and a peaceful countryside would create a rural labor surplus, but land reform should make it easier to absorb additional labor.

22. Basically, the "Land-to-the-Tiller" Law is designed to gain the support of the farmers for the Saigon government by guaranteeing them land ownership. Whether or not the law yields political returns commensurate with its costs will depend largely on how rapidly it is implemented and how the peasants view the role and motives of the Saigon regime. The Communists gained much credit in the past for the reduction in rents and their advocacy of land reform. Their appeal in this area should now be lessened.

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Table 1  
Total Rice Area Cultivated in the Provinces  
with Mainly Tenant-Operated Farms

Province	1958/59	1959/60	1960/61	1961/62	1962/63	1963/64	1964/65	1965/66	1966/67	1967/68	1968/69
An Giang	284	194	231	234	258	263	179	156	151	157	165
Dinh Tuong	160	124	129	142	159	167	105	100	103	124	120
Chau Doc	-	-	-	-	-	-	105	99	99	97	110
Go Cong	-	-	-	-	-	-	48	52	46	48	46
Phong Dinh	179	140	120	121	111	111	117	108	88	90	90
Vinh Long	144	128	94	101	92	96	92	93	47	85	82
Sa Dec	-	-	-	-	-	-	-	-	46	48	46
Ba Xuyen	368	204	287	310	260	266	175	167	170	173	197
Bac Lieu	-	-	-	-	-	-	92	94	114	110	120
Vinh Binh	215	179	162	145	168	171	179	178	162	125	130
Chuong Thien	-	-	-	-	118	125	120	123	111	105	110
Total area	1,350	969	1,023	1,053	1,166	1,199	1,212	1,170	1,137	1,162	1,216
Average area a/	225	162	170	176	194	200	202	195	190	194	203

a. Average of the six provinces producing in 1958/59; others were carved out of those six provinces.

Table 2

Total Rice Area Cultivated in the Provinces with Mainly Owner-Operated Farms

Province	Thousand Hectares										
	1958/59	1959/60	1960/61	1961/62	1962/63	1963/64	1964/65	1965/66	1966/67	1967/68	1968/69
Kien Hoa	114	127	83	91	107	116	106	106	100	99	105
Long An	140	144	100	125	143	134	98	91	89	88	90
Hau Nghia	-	-	-	-	-	-	41	40	35	30	30
An Xuyen	123	199	139	141	133	113	103	103	95	100	110
Kien Giang	223	229	128	154	114	127	132	114	113	105	115
Kien Phong	164	38	76	79	78	87	73	77	83	80	90
Gia Dinh	43	20	47	48	53	52	54	46	46	44	44
Tay Ninh	58	15	31	32	35	40	35	28	33	32	35
Binh Duong	31	22	19	17	25	23	20	22	20	15	15
Bien Hoa	34	30	24	22	22	24	22	33	30	35	34
Kien Tuong	27	14	14	19	14	11	16	15	18	16	15
Phuoc Tuy	14	4	10	12	10	8	12	11	8	8	8
Total area	971	842	671	740	734	735	712	686	670	652	691
Average area a/	88	77	61	67	67	67	65	62	61	59	63

a. Average of 11 provinces; Hau Nghia Province was carved out of Long An Province.

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Table 3

Total Paddy Production in the Provinces with Mainly Tenant-Operated Farms

Province	Thousand Metric Tons										
	1958/59	1959/60	1960/61	1961/62	1962/63	1963/64	1964/65	1965/66	1966/67	1967/68	1968/69
An Giang	401	337	473	294	576	545	420	289	160	282	264
Dinh Tuong	245	335	423	323	360	415	234	211	231	292	240
Chau Doc	-	-	-	-	-	-	204	194	45	165	180
Go Cong	-	-	-	-	-	-	88	112	101	115	105
Phong Dinh	239	419	386	281	283	291	279	258	194	198	225
Vinh Long	209	330	236	270	219	222	354	205	79	170	164
Sa Dec	-	-	-	-	-	-	-	-	71	82	107
Ba Xuyen	533	361	522	586	523	593	431	396	414	398	424
Bac Lieu	-	-	-	-	-	-	262	270	335	303	216
Vinh Binh	237	331	414	383	362	359	291	291	275	213	202
Chuong Thien	-	-	-	-	234	245	227	245	221	200	198
Total production	1,864	2,113	2,454	2,137	2,557	2,670	2,590	2,471	2,126	2,418	2,325
Average production <i>a/</i>	311	352	409	356	426	445	432	412	354	403	388

*a. Average of the six provinces producing in 1958/59; the others were carved out of those six provinces.*



Table 4

Total Paddy Production in the Provinces with Mainly Owner-Operated Farms

Province	Thousand Metric Tons										
	1958/59	1959/60	1960/61	1961/62	1962/63	1963/64	1964/65	1965/66	1966/67	1967/68	1968/69
Kien Hoa	189	425	165	170	196	215	186	180	194	248	215
Long An	209	424	311	376	425	334	231	218	253	222	216
Hau Nghia	-	-	-	-	-	-	78	80	71	61	51
An Xuyen	160	405	284	298	276	254	253	265	233	245	205
Kien Giang	312	521	327	294	264	262	311	223	221	210	184
Kien Phong	246	60	191	125	165	195	145	135	91	146	144
Gia Dinh	66	70	122	128	141	147	148	139	120	119	106
Tay Ninh	76	26	62	61	84	84	76	66	80	70	60
Binh Duong	39	50	48	49	56	53	47	45	43	27	30
Bien Hoa	40	59	56	47	52	50	43	71	64	77	68
Kien Tuong	13	24	25	-	24	15	27	27	4	23	21
Phuoc Tuy	12	11	18	28	23	21	28	22	18	18	12
Total production	1,362	2,075	1,609	1,576	1,706	1,650	1,573	1,471	1,392	1,466	1,312
Average production <i>a/</i>	124	183	146	158 <i>b/</i>	155	150	143	134	127	133	119

a. Unless otherwise indicated, average of 11 provinces; Hau Nghia Province was carved out of Long An Province.

b. Average of ten provinces.

## APPENDIX A

Distribution of Farm Holdings by Tenure and Size of Holdings  
for the Southern Region and Central Lowlands

	Southern Region				Central Lowlands			
	Holdings with Owner- Operated Land Only	Holdings with Rented Land Only	Holdings Under Other Tenure Forms Only	Holdings Under Several Forms of Tenure	Holdings with Owner- Operated Land Only	Holdings with Rented Land Only	Holdings Under Other Tenure Forms Only	Holdings Under Several Forms of Tenure
Number of holdings	187,353	401,818	80,189	334,779	190,850	74,053	57,810	403,643
Size of farm (hectares)	Percent of Holdings <sup>a/</sup>							
Less than 0.1	9.5	20.2	55.4	1.3	16.1	25.3	80.3	3.9
0.1 to 0.49	21.8	13.3	21.5	6.7	42.9	43.2	14.7	37.8
0.5 to 0.99	16.2	14.8	7.4	12.3	22.9	14.9	3.7	32.9
1 to 1.99	22.2	25.8	10.2	30.6	13.6	7.6	1.2	19.7
2 to 2.99	12.1	12.2	3.1	19.1	2.9	1.7	0.1	3.7
3 to 4.99	12.0	8.8	1.6	16.8	1.2	0.8	0	1.6
5 to 9.99	4.8	4.1	0.6	9.9	0.4	0.5	0	0.4
10 to 49.99	1.3	0.8	0.1	2.8	b/	b/	0	b/
50 and larger	0.1	0	0	b/	0	0	0	0
Total	100	100	100	100	100	100	100	100

a. Because of rounding, components may not add to the totals shown.

b. Less than 0.1%.

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### APPENDIX B

#### Provisions of the "Land-to-the-Tiller" Law

The primary provisions of the "Land-to-the-Tiller" Law are as follows:

##### A. Landlord

1. Cannot retain tenanted crop land. He may, however, rent out part of the five hectares of worship and cemetery land he can retain under the new law.
2. Can retain a maximum of 15 hectares of crop land, providing he cultivates it himself or with hired labor.
3. Will be paid for his lost rental land an amount roughly equivalent to two and one-half times the value of the average paddy yield during the past five years. The value reportedly will be determined by the price of paddy at the time of transfer. The exact rate of payment, however, will be set by a special committee to be established by the government.
4. Will be compensated by the government after titles are issued to the new owners. Payment will be made 20% in cash and the remainder in eight-year bonds bearing 10% interest.

##### B. Tenant

1. Will receive free title to the land he is cultivating up to a maximum of three hectares in III and IV Corps and one hectare in I and II Corps.
2. Stops paying rent the day his application is approved by his village administrative committee.
3. Cannot sell newly acquired land for 15 years.

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In addition to the tenants and squatters now cultivating land, the law provides that relatives of war dead, discharged or retired soldiers and civil servants, government employees who abandoned farming because of the war, and farm laborers also may become landowners.

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## APPENDIX C

Historical Comparison of Production between  
Owner-Operated and Tenant-Operated Farms

A historical comparison was undertaken of rice yields between sample provinces having a high proportion of owner-operated land and those having a high proportion of tenant-operated land. The comparison was restricted to provinces in III and IV Corps in which 90% of the growing area is located. Utilizing data in the 1960-61 Agricultural Census, the provinces in that area were classified into the two groups -- those in which the ratio of owner-operated land to rented land was above 50% and those in which it was below 50%, as shown in the following tabulation:

Provinces with Highest Proportion of Tenant-Operated Land	Area of Holdings, by Tenure (Thousand Hectares)		Ratio of Owner- Operated to Rented Lands
	Owned	Rented	
An Giang	78	170	0.46
Dinh Tuong	44	112	0.39
Chau Doc	Part of Dinh Tuong		--
Go Cong	Part of Dinh Tuong		--
Phong Dinh	27	106	0.25
Vinh Long	36	75	0.48
Sa Dec	Part of Vinh Long		
Ba Xuyen	76	240	0.32
Bac Lieu	Part of Ba Xuyen		--
Vinh Binh	54	124	0.44
Chuong Thien	27	106	0.25
Provinces with Highest Proportion of Owner-Operated Land	Area of Holdings, by Tenure (Thousand Hectares)		Ratio of Owner- Operated to Rented Lands
	Owned	Rented	
Kien Hoa	65	67	0.97
Long An	56	75	0.75
Hau Nghia	Part of Long An		--
An Xuyen	87	72	1.21
Kien Giang	56	85	0.66
Kien Phong	32	56	0.57
Gia Dinh	24	34	0.71
Tay Ninh	29	12	2.42
Binh Duong	23	12	1.92
Bien Hoa	11	19	0.58
Kien Tuong	15	13	1.15
Phuoc Tuy	8	8	1.00

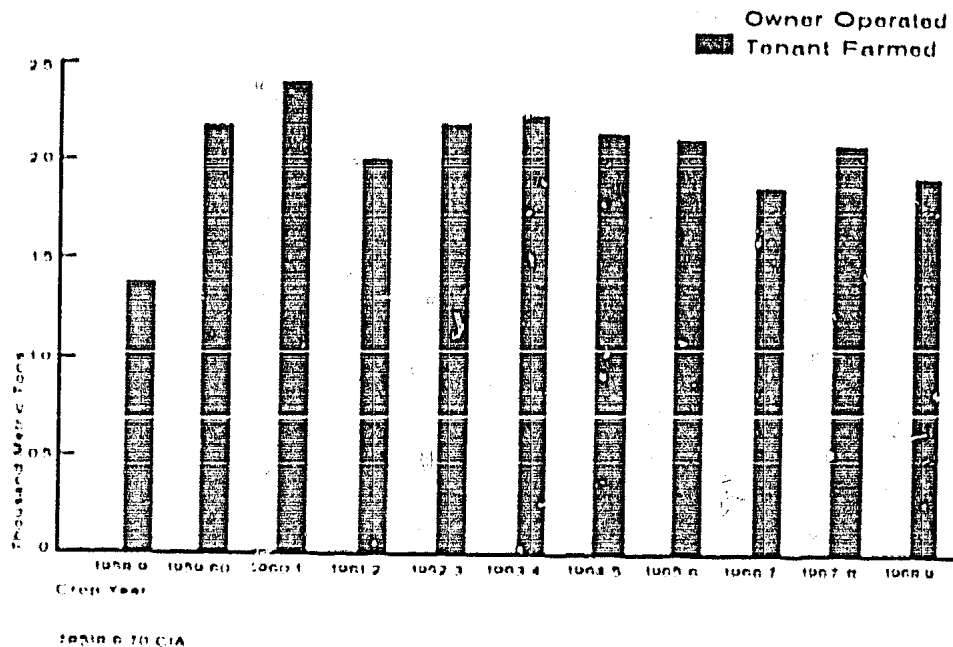
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Rice yield per hectare for each province was obtained for the crop years 1958/59 through 1968/69 and the average yield per hectare per year for each group as well as average production and area cultivated were calculated.

Average yields for the two sample groups during the crop years 1958/59 through 1968/69 were not significantly different (see the chart). During the early years of the period, average yields and production for both groups increased, despite a decline in the rice area cultivated. Average rice yields for both groups declined after 1960/61, falling 21% by 1968/69.

### The Average Rice Yield Per Hectare In South Vietnam...



Although rice yield trends for both groups have been similar, the trends of average area cultivated and production have been somewhat different (see Tables 1-4).

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Between 1959/60 and 1963/64, average production and area cultivated increased in those provinces with predominately tenant-operated farms but declined in those having mainly owner-operated farms. The cause of the difference appears to be the degree of province security. Most of the provinces having a preponderance of owner-operated farms are located in the less secure areas. An additional factor which may account for the decrease in area cultivated is the effect of land redistribution to tenant farmers under the Diem land reform program.

Between 1963/64 and 1968/69 average production decreased 13% in those provinces with a preponderance of tenant-operated farms and average area cultivated increased slightly by 2%, while in those provinces having mainly owner-operated farms average production decreased 21% and average area cultivated 6%. The general decline was a result of the increase in combat operations throughout all the provinces during this period. Data for total enemy incidents since 1965 indicate greater insecurity in the provinces having mainly owner-operated farms than in those having more tenant-operated farms. Moreover, the average number of Allied battalion days of operation were much higher for the provinces with a preponderance of owner-operated farms.

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